

S.E.C. Official Cites Pressures To Avoid Embarrassing Nixon

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By MARTIN ARNOLD

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A Securities and Exchange Commission official testified yesterday at the Mitchell-Stans trial that he had been under considerable pressure from his superiors around the time of the 1972 election to avoid doing anything that would be "politically embarrassing" to President Nixon.

In another development yesterday, Judge Lee P. Gagliardi denied a motion to quash a subpoena to testify here that had been issued to F. Donald Nixon, President Nixon's brother. Donald Nixon is now expected to testify this week, probably by tomorrow.

But the main prosecution business yesterday was the

testimony of Stanley Sporkin, director of the S.E.C.'s Division of Enforcement, who was called to corroborate the Government contention that John N. Mitchell and Maurice H. Stans interfered in an S.E.C. investigation of Robert L. Vesco a financier, in return for a secret \$200,000 cash contribution that Mr. Vesco had made to President Nixon's re-election campaign.

So far, the most damaging witness against the defendants in this respect has been John W. Dean 3d, President Nixon's former counsel. Mr. Dean has testified that Mr. Mitchell, the former Attorney General,

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called him at the White House at least 19 times to try to get the S.E.C. to at least delay its investigation of Mr. Vesco, now a fugitive.

Mr. Sporkin testified that pressure was brought to bear on him, but his testimony was mostly inferential that it was brought to bear by either Mr. Mitchell or Mr. Stans, former Secretary of Commerce. Both former Cabinet members were leaders of the Nixon re-election campaign.

Still, Mr. Sporkin said the pressure was applied to get the S.E.C. to postpone subpoenas to witnesses until after Election Day so that the President would not be embarrassed. He also testified that there was pressure also to get the commission to change a paragraph in its formal charges against Mr. Vesco, the paragraph that gave the first hint of the \$200,000 Vesco contribution. The pressure failed on the first count, but succeeded on the second the record shows.

Mr. Vesco and 41 others were accused of defrauding investors of \$224-million.

Mr. Sporkin was an aggressive witness, giving the impression of a man who had been keeping a secret for a long time and now was eager to get it all out.

He settled his large frame into the witness chair, immediately unbuttoned his dark-blue suit jacket and leaned back comfortable and business-like. Throughout his testimony he rocked back and forth in the chair, fingered his eyeglasses, took them off and put them on, stared in turn at the ceiling, the lawyers, and the jury, and, in his eagerness, had to be admonished several times just to answer the questions, not to elaborate.

He testified, however, that he had on knowledge that Mr. Stans had ever spoken to G. Bradford Cook about the Vesco case. Mr. Cook, former counsel to the S.E.C. and then its chairman, has testified that he spoke to Mr. Stans about the Vesco case on many occasions before the S.E.C. charge was filed, in violation of commission regulations.

Discussion of Case

But he did say that he knew that Mr. Mitchell had spoken about the case to William J. Casey, at the time chairman of the S.E.C.

"I had a general knowledge that he [Casey] had been talking to Mr. Mitchell, about the Vesco case," the witness said. Mr. Casey had testified that Mr. Dean called him four times about the Vesco case, once at the behest of Mr. Mitchell. Mr. Mitchell has sworn before the grand jury that he had never spoken to Mr. Dean about the Vesco case.

Mr. Mitchell and Mr. Stans are accused of conspiracy, obstruction of justice and perjury. One of the conspiracy charges against Mr. Mitchell alleges that the former law officer sought through Mr. Casey to have testimony from two women working for Mr. Vesco delayed until after Nov. 7, 1972, Election Day, for fear that their testimony would be used to "smear" the President.

"The chairman asked me whether we were subpoenaing two women in connection with the Vesco investigation," Mr. Sporkin testified. "I told Mr. Casey the two women had been subpoenaed and told him it had to do with the \$200,000."

"And he [Casey] asked me at the time if they would be put off, what did we need them for at that time? I told them they could not," the witness said and continued:

"Mr. Casey said to me, 'Why couldn't we postpone these women?' He mentioned to me this was the week before election. He said to me he believed they could be politically embarrassing if their testimony came out.

"He said, 'Stan, you know how these things leak out of the commission, and these could be leaked.' I told him that the testimony would not be postponed. . . . I said, 'Bill you must rely on my judgment on this matter. Some day you are going to be thankful for relying on my judgment in this matter.'"

As it turned out, the two witnesses did testify before

Election Day and each took the Fifth Amendment against self-incrimination.

Mr. Sporkin then testified that the first S.E.C. draft of its complaint against Mr. Vesco had included no mention of the \$200,000. Mr. Vesco was also indicted in this case, but has fled the country.

Mr. Sporkin said that he had spoken to two S.E.C. persons about that omission, including

Robert Kushner, an S.E.C. attorney who is expected to testify. "I indicated to them that I believed that it was absolutely essential that we plead something in the complaint concerning the \$200,000," the witness said.

Mr. Sporkin added that subsequently a "draft" paragraph was drawn up that included mention of the \$200,000, and it was circulated to Mr. Cook.